



# COMMUNITY COMMENTS

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## British reserves rise, so does unemployment

By John Allan May  
Staff correspondent of  
The Christian Science Monitor

Great Britain today stands as a prime example of perhaps the most paradoxical economic situation in the world.

Britain's national income has doubled in value during the last decade, standing at a record level.

On trade and payments account, Britain has achieved a surplus of \$2.5 billion (£1,000 million) in the first nine months of this year.

## Economic growth not keeping pace

By the Associated Press

Black Africa's soaring rate of growth is by far the highest in the world, averaging 5 to 6 percent a year. And the problem is common to all the countries like Nigeria, Kenya, Zaire, by a long way, the fastest growing in the world.

## City dwellers migrating back to rural America

By the Associated Press

Farm states west of Mississippi are attracting a new wave of migration today that are unique. It does not mean that it is now, need-kingdoms, or

TOTALITARIANISM means a nation's economic life is a state-controlled system, but at the cost of the city, he says. rgan suggests at the city—the Ages. now, need-kingdoms, or

## Black Africa: population explosion

Each year, thousands of Africans abandon their mud hut villages, their farms and their lives by car, bicycle, or motorcycle.

Dar es Salaam estimated population predictions

## Recession: the poor keep getting poorer

By David R. Francis  
Boston  
not dangerous and unfair serious

income pie, the poor and middle class get relatively little attention to the of equity and fair shares. They rise in their real incomes satisfy But when those in lower-income their standard of living

Community Service, Inc.

Yellow Springs, Ohio

A SPECIAL ISSUE ON THE SMALL COMMUNITY, POPULATION  
AND THE ECONOMIC ORDER

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We hope our readers will take an active part in Community Comments. We solicit letters to the editor, opinions, articles and suggestions.

## INTRODUCTION

It is not enough today for social movements to advocate and work for such particular concerns as: a limited and stable world population, world peace, small human scale communities, justice for minorities, human freedom, equality of opportunity, full employment and freedom from economic crises. For the time has come to analyze and understand fundamental conditions causing the progressive loss of all these good values even where they had existed with the strength of long tradition. Sentimental attachments and activist endeavors when based on half-baked thinking fail to produce effective social change, and end in disillusionment and a sense of hopelessness.

For a hundred and fifty years political democracy, socialism, the cooperative and commune movements and innumerable other movements for economic justice have been fighting in many ways a losing battle. Each area of endeavor has been too largely a fragment within a larger exploitive pattern of the economy, depending on that overall economy, and functioning as part of it.

There was a period in history when the economic system secured these values much more successfully than our modern system, and it is of the utmost importance that we understand that period. This is the late Medieval European society, which contrasts significantly to the overall dissillusioning character of the dominant economic order of our time. Thus Lewis Mumford found the character of city planning and architecture of that period superior to that which later developed in European society. G.D.H. Cole, a prominent English socialist, regarded the guild system of industrial production of that time as so superior to modern industrial capitalism that he advocated a "Guild Socialism". In this issue of Community Comments we review Murray Bookchin's book The Limits of the City in which Bookchin too holds that the character of the small medieval city was excellent in contrast to the modern city. E. V. Schumacher's book Small is Beautiful and David and Elena French's Working Communally also advocate a social order like that of medieval Europe.

However, in all of these advocacies there is missing the basic grasp of what was the dynamics that made the medieval guild economy work, and that would make such a small community society work today. Nor is there understanding of what it was that destroyed strength, power and excellence not only in medieval society, but in healthy small community societies all over the world ever since.

Karl Marx and Friedrich Engles, amongst advocates of social change, recognized the necessity for the "scientific" as contrasted with only the "utopian" in programs for social change. Their insight into the economic forces destroying the stability of economic society was the basis for the political and economic movement that has now swept over much of the world and finds the remainder of the world in no healthy condition to oppose it. On the other hand, the utopians and the movements they have generated, as well as the reformers who have largely accepted the underlying pattern of capitalist society, have lacked essential insight into what makes a society viable, particularly into the economic realities and into the political and spiritual functions of the larger order of society.

But Marxism has become a fossilized dogma that Karl Marx himself regarded with concern. He was quoted as saying "thank god I am not a Marxist." Orthodox Marxism led the Chinese communists at first to try to destroy the local community-based economy and market, assuming it to be part of the old order that was to be displaced by communism. But widespread disaster followed in China as this program went into effect. It began to dawn on the Chinese communist leadership that these local economic and social functions, which had prevailed over most of the world in pre-capitalist societies, were indispensably valuable. They saw that they should be modernized and made part of the fabric of the new socialist society of China, liberated from the evils with which they had been associated.

In this issue of Community Comments we will endeavor to show some underlying causes and correctives for the malfunctioning of our economy and their relevance to those other major critical issues of our time, which when dealt with out of relation to the underlying causes lead to futility and disillusionment.

But in this issue we cannot take up the entire picture. Many basic preconditions for success in effective social movements require each other. For instance, we need not only an economic order that provides realistically and precisely the requirements for successful economic function. But we must also provide the inspiration, based on culture, spirit, vision and purpose, that will make the economics part of a living whole and not just a technology. In addition, we need a sense of order in our relationship to nature and the universe. All of these aspects must go hand in hand, and every viable and enduring society is based on them. Obviously, all that is too much for one issue of Community Comments.

We had largely carried out the studies that constitute this Community Comments a year ago, and planned to publish them then, urging this as a program of action that could be carried out widely over the nation in our established communities. Then we were asked to speak on the subject to an able group of citizen representatives, the Planned Variations Board of a Model Cities organization. The group understood our message and its relevance to their serious problems, but they then asked "of course you are doing this in your own community?" We had to say no. We then determined to try to bring such a program to pass in our own community before going ahead to publish this issue. We employed a staff member to help. The banker saw the point as did some leading businessmen. They could see the program's relevance to their present circumstances and actions, but they recognized that our half-successful society is in ruts too deep to escape. For example computerized functions in the bank make departures in bank routines impossible, and the businessmen had their money-handling procedures geared to bank routines. What was possible and successful thirty years ago had become much more difficult within the routines of standard business procedures. The best we could do was to find what the established community could do within the confines of the current economic order.

For a social group to effectively make basic departures in the economic order without a prototype of successful pioneering it

must be far more educated to it and united in purpose and life than is the existing society living by the old economic order. Our own community was actively involved in a wide range of social interests which have already aroused public concern, but not to this. While the needed departures in the economic order are feasible and have succeeded when given these preconditions, as currently demonstrated with the Black Muslims' alternative economic order, success will depend on an intensity of united commitment, understanding and endeavor comparable to that of the Black Muslims, the Amish, and the small band of Chinese communists who had to struggle in the remote areas of China before they could convince that nation. Such was the lesson from endeavor in our own community.

"As the nation came suddenly to recognize that conservation of its soil and natural resources was essential to its future welfare, so must it also become aware of an even greater and more important obligation--conservation of its human resources."

--Homer P. Rainey, Director,  
American Youth Commission

"At the moment at which a great people no longer possesses, as a community, a certain quantity of unused vitality...a natural spring of refreshment and rejuvenation, it is near its decline."

--Jacob Burkhardt, Reflections of History

In an article entitled "Profile of the Affluent Family" Sylvia Porter in her syndicated column reported some statistics compiled by economist Fabian Linden of the Conference Board:

"An overwhelming 57% of all families living in major metropolitan areas live in the suburbs--and these families have command of no less than two-thirds of all the surplus income in the United States....A few more teasers: you're likely to be a family headed by a professional, technical or managerial worker. And you are likely to have no children or only one child."

--Sylvia Porter, Syndicated Columnist  
November 27, 1972

ECONOMICS OF THE FUTURE AND THE  
FUTURE OF POPULATION DISTRIBUTION

by Griscom Morgan

(Based on a talk delivered June 15, 1975 to the Future Fest, a Festival of the Future sponsored by the Dayton Ohio Bicentennial Commission.)

The reason we must link together economics and population is that they are utterly interdependent and neither can be understood or dealt with apart from the other. The ramifications of their interrelationships include the most severe problems of our times, from totalitarianism, unemployment, the population explosion, concentrations of population in metropolitan centers, to the deterioration of rural life, inflation, and depressions. The line of thought on which I will lead you is neither abstruse nor difficult to understand. A person without special training can follow it and can understand from it that we are not helpless to cope with these problems, but can all of us act to change the conditions that so curse our civilization.

For thousands of years economic systems like our own have severely afflicted rural peoples, rural cultures and their social orders, concentrating population into metropolitan centers, creating unemployment and extremes of wealth and poverty. This happened in ancient Greece, in Rome and in the Arabian centers around the Mediterranean Sea. The great Arabian social scientist of that era, Ibn Khaldun, told of the process then, writing: "The climax of the growth of the city and the development of city arts, sciences and commerce is the beginning of the decay and degeneration of the city and the whole of society. This degeneration is inevitable and the average curve of the rising and degenerating of urban families is the space of four generations." The historian Brooks Adams depicted the historical process, calling his book on the subject "The Law of Civilization and Decay."

The same is true today. One of our outstanding demographers, Warren Thompson, when director of the Scripps Institute for Population Research put it thus in his book Plenty of People: "no urban population of 100,000 or more, and probably even in cities of over 25,000 will long continue to reproduce itself. The human animal is not reproducing in our modern cities." Elsewhere he wrote, "The deadliest enemies of man at the present time are not disease, war and famine, but the industrial conditions of the cities."

At Community Service for the past thirty-five years among other areas of concern we have been studying the effects of the large cities on man, the economic causes of urban concentrations of population and the consequences of large city living. We believe we have reached a more complete picture than has appeared in the more special disciplines being applied to the situation.

Take, to begin with, the studies of biologists on the effects of high densities of population on lower animals. They have found that excessive densities of animals progressively destroy their vital capacities to reproduce effectively, and after several generations of dense living there is a population collapse. Now we have much



evidence that the same is true of man in large cities. Among animals and man the effect of too high a density of population is measurable in biological change in the adrenal glands. We cannot make large scale studies of this change in man. But, among both lower animals and man, we know that adrenal excess tends to result in fighting, or withdrawal, depending on the culture and character of the individual.

At this point, then, one immediately thinks of the fantastic increase of murder rates in our cities together with the increase in schizophrenic reactions of withdrawal into "The Lonely Crowd". These increases may provide a kind of measurement of the stress from excessive density, or of the consequent adrenal over-stimulation. It is also significant that 70% of murders are between people who know each other, that is, are crowded too close to each other. Another interesting statistic is the rate of murder in different sizes of cities. It fully supports Warren Thompson's hint that the deleterious effect of city living is proportional to the size of the city. Here are the figures supplied by the Statistical Abstract of the United States.

1969 Rates of Murder for Cities of Different Size, per 100,000 pop.

250,000 and over ----	19.2	10,000 to 25,000----	3.9
100,000 to 250,000---	10.8	10,000 and less-----	3.5
50,000 to 100,000----	5.9	rural-----	5.9
25,000 to 50,000-----	4.8	suburbs-----	4.2

The rate of murder for New York and Chicago is about 40 per hundred thousand. The figures for rural areas, like insanity rates, show that too sparse living out of community is also unwholesome.

Biologists have found that the effect of high density living is cumulative, increasing for each generation living under these circumstances. This is just what we find in change of the rates of murder of our large cities. For example, over the four year period between 1969 and 1973, the rate of murder in fourteen of our more dense metropolitan areas had increased by half, whereas, a control group of less dense metropolitan areas had increased by only an eighth.

The worst aspect of large metropolitan concentrations of populations is that those cities receive the ablest, most cultured and energetic of the population from over the country. These persons then are subject to typical city degeneration and ultimate failure to reproduce. Our cities depend on a continuous immigration from rural areas to maintain their population. But, if we continually draw off the best from those rural areas then the immigration will consist of more and more deteriorated rural stock.

Not only does the dominant economic order have this harmful effect on future quality but, it also is a major cause of the population explosion which continues to exist in spite of cities' failing to reproduce themselves, as we shall presently show. But first, we must consider the underlying cause of all these conditions.

Karl Marx defined the basic problem of the capitalist economic order. From that problem, the political and economic order of Marxist nations derives its justification. But, it does not require a leftist to pose this basic problem, nor need we turn to totalitarian economic systems to solve it. The great economist Maynard Keynes wrote, The outstanding faults of the economic society in which we live are its failure to provide for full employment and its arbitrary and inequitable distribution of wealth and incomes.....The authoritarian state systems of today seem to solve the problem of unemployment at the expense of efficiency and freedom. It is certain that the world will not much longer tolerate the unemployment which, apart from brief intervals of excitement, is associated -- and, in my opinion inevitably associated -- with present day capitalist individualism. But, it may be possible by a right analysis of the problem to cure the disease whilst preserving efficiency and freedom".

The state of free world economy today illustrates the truth of Keynes' statement more unambiguously than any previous crisis. Everywhere there is chronic unemployment, together with inflation. The two are twin evils. William Irwin, who for years was chief economist and educational director of the American Bankers Association made essentially the same analysis of the challenge facing us: "The American system can be preserved only if those who wish to see it preserved will ask themselves the question 'why is it being curtailed?' It has continued to create huge aggregations of wealth that seem to overshadow even government itself. It has failed on its own initiative to find the remedies for the crushing impact of business depressions. It has failed to find the remedy for unemployment. American businessmen apparently have wanted plenty of surplus labor whether tragedy was involved or not. That an incomeless man was a lost customer did not seem to occur to them. If we fail to do the things that the history of the past fifty years has taught us need to be done, we shall deserve whatever we get. American business has the brains, it has the means, and the time for action is now".

All the dispersion of attention on trying to cope with the many terrible consequences of this faulty economic order, with the blind assumption that we are limited to this order or to a totalitarian society, leaves the effects of this order to grow ever more severe. And, yet, a right understanding exists to guide action that would remove all these evils at their source.

Consider for example the extremely dangerous problem of the population explosion. Where in all the literature or programs of action on the subject has the role of capitalist unemployment been considered or dealt with? There has been laudable concern for making birth control facilities and information available, as though it were primarily a matter of education and technology. But it is becoming increasingly clear that this is not getting at the root of the problem. Almost nowhere is there recognition that population controls were once successful and world-wide, and only broke down in the past few centuries of capitalist economics. We deal with this separately in detail later in this issue.



But, we must here illustrate the role of capitalist unemployment as one of the causes of the population explosion. For example, during the depression of the thirties in the United States, when people became unemployed, their birth rates went up markedly. The birthrates of formerly salaried people around 1930 were greater by 40% in comparison with those still employed, that of former skilled workers was 30% greater, while that of the unskilled was greater by 28%. \* At the same time, the birthrates of the employed went down significantly. Apparently then, unemployment of hand and brain leaves people little to occupy themselves with but sex; while the ambition and hope for improved lives that might inspire them to family planning are killed by their hopeless poverty. They thereupon live on relief and drift listlessly into desperate family situations, producing greater numbers of children doomed to lives of underemployment and crime.

This is the fate of societies the world over, cursed with chronic unemployment. Rural areas are most impoverished and, without the exhaustion of urban crowding, their people are proportionately the most idle and fecund. Then they move in crowds into the metropolitan centers where the capitalist concentration of wealth has taken away the potential for employment.

A more recent study confirms the above figures from the thirties. An Antioch student, Jeffrey Leonard, studied the birthrates of black people before and after they moved to the cities, as they were doing by the hundreds of thousands a year during the sixties. He found that those who became fully employed in hand and brain by becoming part of the established urban society had a great drop in birthrates. But the underemployed and unemployed had a marked increase in birthrates as compared with the rural communities from which they came. This is the pattern of much of the world where the population explosion is so serious today, in South America, Central America, India and Africa.

Population control that was once world-wide, maintaining low or zero population growth, was achieved by stable communities that knew from long experience that having too many children spelled trouble, being limited to the produce of their land and labor. When people lose such responsibility over their lives, control over their reproduction tends to be lost. This is one of the lessons from the great array of evidence amassed by the great sociologist Carr-Saunders and reported elsewhere in this Community Comments. So, again we come to the absolute necessity of developing an economic order that can give people community responsibility and control over their lives and circumstances, and not be left powerless in the face of chronic unemployment and dependent upon relief.

An article in the July 1975, Harper's Magazine entitled "The Dismal Religion", points out that the orthodox economists have been fundamentally inadequate and misleading in their influence, generally failing in their predictions and guided mainly by wishful thinking. Saul Friedman, the author, calls this economics "faith healing".

But, for the alternate economic pattern we will outline, there is concrete evidence that it yields a sound understanding and an economic system that would work. Remarkably enough, this economic system is basically the one that Jesus expressed in the parable

\*Lorimer and Ashborn; Dynamics of Population MacMillan, 1934,p.64

of the talents. (Talents, in Jesus' day were coins like our silver dollars.) The parable concerns a man who gave to his servants money to bring interest in return. But one of the servants did not invest his money at all, and when he reported to his master said, "I know that thou art a hard man, reaping where thou didst not sow, and gathering where thou didst not scatter. And I was afraid and went away and hid thy talent in the earth. Lo; thou hast thine own." His lord then answered him, "Thou wicked and slothful servant. Thou knowest that I reap where I sow not and gathered where I did not scatter. Thou ought therefore to have put thy money to the bankers and at my coming I should receive back mine own with interest. Take away therefore the talent from him."

What this man Jesus told of did with his one talent--hoarding it away--is the very heart of the insight that John Maynard Keynes called "liquidity preference," as causing capitalist unemployment. An example on a very large scale in the depth of the depression is the behavior of the financier J. Pierpont Morgan. He stowed away a quarter billion dollars uninvested at a time when money was plentiful in bank vaults but scarce in circulation while unemployment reached a maximum. If that quarter of a billion dollars had gone into active investment it could have created vast employment, but J. P. Morgan put his money away--why? Because the current interest rates did not, in his opinion, justify his putting it into investment. J. P. Morgan was one of countless people both wealthy and poor who were doing the same thing with their "talents."

A more recent example is cited by the "Christian Science Monitor": "British reserves rise, so does unemployment... Great Britain stands as the prime example of perhaps the greatest paradox to face the western world." That paradox is the cause of unemployment, and it is the central theme of Marxian political and economic theory.

A Harvard economist, Alvin Hansen, explains the cause of depression similarly; "It is this utter undependability of private capital outlays that makes the economic system so unstable!" In other words the undependability with which people spend or invest the money supply. Either they spend it all of a sudden too fast, producing runaway inflation or to one degree or another they withhold it from spending, producing varying degrees of unemployment and depression. Maynard Keynes suggested that one way to stop depression is simply for the government to spend more money into circulation, borrowing from those who do not invest. But this further reduces incentive to private investment. That is what happened under the Roosevelt administration and what has been happening since in capitalist countries over the world. But, if the money put into circulation soon sinks out of circulation again, then a larger and larger amount of money accumulates out of circulation. When people begin to doubt its value they'll suddenly flood the market with it, causing runaway inflation. We find today that all the democratic free societies in the world have progressive inflation, threatening the economy and all economic relationships. On the other hand, if they stop inflation by stopping government spending, they invariably fall into increasing unemployment.

This pattern of free economic societies which has been so worldwide is completely unnecessary. The proof is the fact that during a period of about 250 years of European History there was a free economic society with no serious unemployment, depression, inflation, or crowding of people in large cities. The historian Brooks Adams, conservative as he was, wrote of this period, "From the middle of the 12th to the middle of the 13th century was an interval of almost unparalleled commercial prosperity." A radical socialist Julien Borchard, makes the same point in his "The People's Marx", an essay on the essence of the Marxist theory of crisis: "It is a matter of general agreement that the economic crisis constitutes a grave disturbance of equilibrium between production and consumption. The question rises: Was this always the case or was there a time in which no such disturbance occurred? Nay, it may have been even impossible. We know nothing of any commercial crisis during the middle ages, that is to say, any serious ruptures of the equilibrium between consumption and production...We do not read of any which, as is the case today, had their origin in internal causes and derived from overproduction."

What made it possible for this period of the middle ages to be free from unemployment, overproduction, depression? The explanation is quite simple. This period in European history had an economic system in which the economic principle of Jesus' parable was applied -- unwittingly and without knowing why it worked. But, this economy worked because it forced all money into investment and circulation. The nobility and Kings of the time found the easiest way to raise taxes was to tax money itself in this manner: At the end of every year or several times a year, the old issue of currency was replaced with a new issue of currency at a cost, which constituted the tax. Consequently, people, banks and corporation could use their money as a medium of exchange but they could not use it as a medium of savings. If they wanted to save they had to invest their money, and when invested the money went on circulating.<sup>+</sup> Thus, people could not hoard their resources in terms of currency as did the servant Jesus condemned, but had to keep the currency circulating. It was when this principle was dropped that Europe fell into deep unemployment, urban crowding and doubling and tripling of interest rates. Analogously, if there were no parking meters downtown in our cities and people could park indefinitely at no cost, effective circulation of customers would become impossible. Similarly, if people could park in the middle of highways, movement of traffic would come to a stop. Substantially, the same principle applies to money. Our medium of exchange, both check-book money and currency, needs to be used as a medium of exchange and not something that one hoards.

Knowing nothing of the medieval European experience or of other's pioneering thought on the subject, but, out of a background of knowledge of Marxian, classical, and Keynesian economics, I came to realize that every one of these theories implied a new insight, an insight which I later found had been independently achieved by several other theorists. One of them is an economist, Arthur O. Dahlberg, whose current book, How to Save Free Enterprise,\* outlines this economic insight very fully.

<sup>+</sup>This distinctive economic and financial system of the middle ages is analyzed and documented in The Miracle of the Gothic by Hugo Fack.

\*Arthur O. Dahlberg, How to Save Free Enterprise, Devin Adair, 1975

Arthur Dahlberg was not trained only as an economist. Originally a professor of mechanical engineering at the University of Wisconsin, he went on to a doctorate in sociology, and then into economics, studying under Keynes. With such a background, Dahlberg found that economists were like mathematicians trying to work out mechanical engineering problems without benefit of engineering drawings or adequate discipline, experience or competence beyond theoretical abstractions. Dahlberg found that, limited to words and figures, economists were missing major aspects of the subjects necessary to a sound understanding. As chief economist of a national governmental bureau and economist for the Temporary National Economic Committee of Congress studying concentrations of economic power and analyzing recovery plans for the economy, Dahlberg pointed out the severe limitations of both Keynesian and of classical economics, and he predicted the very problems of inflation, unemployment and depression which those theories have been producing in our economy in recent times. Dahlberg joined the economics faculty at Columbia University creating there the "visual economics laboratory." And then, because he found orthodox economics so inadequate, he set up an economics consulting firm, The U. S. Economics Corporation whose accurate advice has been sought by the largest corporations in the country. Since then Dr. Dahlberg has consulted with government economists and members of the federal reserve board to figure out simple ways in which the principle of Jesus' parable of the talents could be applied to the American economy today.

Among the pioneers in this economic insight, the earliest was a German business man Silvio Gesell. John Maynard Keynes said of Gesell, "I believe that the future will learn more from the spirit of Gesell than from that of Marx." Irving Fischer, economist at Yale, wrote "The application of Gesell's principles will lead the nation out of the depression within two or three weeks." Senator Bankhead in the early thirties introduced legislation in Congress for a taxed currency, but it was not adopted. After the Second World War, Senator Bankhead asserted that if the legislative provisions had been adopted, the economic climate of the world would have been so different that the rise of Hitler and the Second World War would not have taken place. The radical socialists, John Strachey and Sir Stafford Scripps of England, both believed a Gesellian economics would be the hope for socialism. More and more socialists are coming to realize that statism with the state running all the affairs of an economy destroys civil liberties, efficiency, and creativity in the economy.

What we are suggesting is not something which has not been tried out in practice in recent times. During the depth of the depression in the 30's, the mayor of Woergl, Austria got acquainted with this idea. The town was in economic collapse and its people were starving. When that mountain area a century earlier had been isolated and without roads to the rest of Europe it had been prosperous. It therefore seemed absurd that they should be starving when they clearly possessed the conditions necessary for full employment and prosperity. There was work needing to be done and all the resources necessary to feed and clothe themselves existed. The mayor therefore persuaded the people of this community to

exchange their Austrian currency for a local currency which, like the medieval currency, could not be hoarded out of circulation. Within three months this community had full employment. At the end of the year the taxes were being paid in advance instead of being hopelessly in arrears. The mayors of other towns in Austria gathered together and voted to follow the same pattern elsewhere. But the central bank of Austria claimed a legal monopoly over all money issues and consequently, this new method was prohibited as unconstitutional.\* In the United States, however, such a procedure is legal, and on a number of occasions has been practiced with similar results here. The most successful undertaking was halted by the rationing system during the Second World War.†

Such a change in national economic policy faces a major political obstacle. When I approached a progressive leader in Washington concerned with good legislation, urging this policy upon him, just as Senator Bankhead many years before had urged it upon the senate and congress, he asked, "What would this policy do to the investment income of the well-to-do?" I answered that it would make capital available at low interest for industry and commerce; that it would create employment, an adequate market and prosperity for labor and management; and that it would reduce the interest, dividends, and investment income of those with money to invest. His response was, "You are wasting your time on such an idea. The opposition of big capitalists would make it legislatively impossible."

And yet the swollen income of investors (which this innovation would reduce) is impossible for a free economy to long supply. To demonstrate the inordinate effect of typical compound interest, if one penny invested at the time of Jesus at 6% compound interest had been left so invested until today, it would now be worth the weight of the earth in gold. Thus rapidly does the wealth of those investing at such a rate of interest increase. Within ten years the burden of interest on the national debt doubled in proportion to our national income, becoming the third largest item in the national budget.

Karl Marx emphasized the insight of his predecessor, Adam Smith, in this matter. Adam Smith had seen how throughout history, for nation after nation, when the interest burden on debt becomes too great, the capital of that nation leaves for other countries and the nation then suffers economic and social decline. Over the past 25 years, private indebtedness has increased 25 times in our nation. There has to be some way in which the burden of interest, which is now destroying our nation's economy, can be reduced, yet still stimulate the full market and the active investment which makes for effective competition, all of which will produce full employment. If those with large incomes do not invest their surplus income, too large a proportion of our money supply simply flows out of circulation into their hands -- and that is the generic cause of depression and unemployment. For the government to continue to borrow this money back for government spending is obviously no answer, but merely takes money out of private investment, keeps interest rates higher and increases the national debt.

\*The Economic Miracle of Woergl, Hugo Fack, 1933, San Antonio, Tex.

†The History of the United Trade Dollar Exchange, Community Comments Vol XX, No. 1

\*The Bankhead Bill, S.5674, Feb. 18, 1933.

Karl Marx assumed that it was inevitable under the free market economy for this surplus income of the well-to-do to pass out of circulation. He saw this as the fundamental contradiction of capitalism from which followed the inevitability of the communist revolution. For if the working class receives too little income to purchase all that is produced on the market while the well-to-do receive much income unneeded for consumption and therefore available for investment, they still do not invest because with an inadequate market there is no point in investing in more productive capacity. Thus, investment grinds to a halt, and money rests idly in the hands of the well-to-do.

Now, going one step beyond Marxist thought we can see that if those people to whom the surplus income flows had to spend or invest it, the basic cause of depression, unemployment and progressive inflation, which has been the rationale of state communism, would be eliminated. This follows from Marxian economics' own logic. So, here we have in a nutshell the new economics. It does not solve all the problems of the world but solves the fundamental economic disability of the free market economy which leads to totalitarianism and the threat of conflict between the free and the totalitarian worlds.

A few case studies will strengthen belief that things can be done that really work. Once we understand the cause, many opportunities and resources are at hand for carrying out corrective action. Two examples: A June 8, 1975 Christian Science Monitor report by Susan Rist told how the black Muslims with a more or less independent economy of their own are developing adequate employment and effective economic life amongst their members. As the report expresses it, "Black Muslims keep jobs, money in black community, the only (black) group with an organized economic plan that is really working." With 20,000 acres of Muslim-owned land under cultivation, the "nation is moving back to the farm as the basis of its economy." Wayman Wright, executive assistant to the president of the National Business League is quoted: "The black Muslims have adequately demonstrated that a people can be self sufficient and provide the basic necessities. They should serve as a very good model for any people."

Then, among the many cases where states, counties, communities, by facing up to economic realities, have been able to greatly benefit themselves during depression, is the especially impressive one of William Bailey, one time President of the 1st National Bank in Clarksville, Tennessee. He was challenged by a farmer who was not able to pay on his mortgage. The farmer said, "I have plenty of food in production, being a good farmer. But I can't sell the food because you've got the money, instead of its being in the hands of the people who need to buy what I've got. You won't lend the money except at an interest rate which is higher than people can afford, and consequently, the whole economy of this county is at a standstill." Mr. Bailey really began thinking, and became convinced that there was no reason why that county should be one of the poorest and most desperate in the state. For existing resources, labor and enterprise were quite sufficient for a successful economy. And he proceeded to develop a program called the "Four Pillars of Prosperity" by which that county rose from being among the 10% poorest to being one of the 10% most prosperous in Tennessee.



Afterwards, Mr. Bailey was the first small town banker to be elected as President of the American Bankers Association. But he was not able to get American bankers or American businessmen to accept the principles by which he rescued his own county.

Let me now apply the analysis to explain the vast exodus of population from rural areas to crowded metropolitan centers. Remember the analogy of the penny invested at 6% compound interest at the time of Jesus now being worth the weight of the earth in gold. This compounding of interest upon the wealth of the well-to-do in the metropolitan centers of America means that the hinterland areas constantly owe money which thereupon flows from them into the metropolitan centers. For example, businessmen in Arkansas got together to try to do something about the unemployment and economic problem there. They found that insurance companies which control 60% of the invested wealth of the nation, were taking out of Arkansas something like \$20 million dollars a year -- a pure loss of currency for the state of Arkansas. So they organized an insurance company within the state of Arkansas which would invest in Arkansas communities. And so it was not by chance that the two areas of the nation that first turned the tide of metropolitan migration were Arkansas and the TVA region where Arthur Morgan's objectives were expressed through the Tennessee Valley Authority.

Early in his administration of the TVA, Arthur Morgan pointed out that lacking adequate local circulation of money, the hinterland, the rural areas of the nation, lost money to the metropolitan centers. Thereupon, the people no longer have money with which to employ one another, even though they may have all the resources and the manpower necessary for a thoroughly successful economy like the black Muslims or Clarksville, Tennessee after Mr. Bailey put his innovative action to work. Consequently people cannot find employment in the local community, and they have to go where the money has gone. For instance, there are more black people who were born in Hartford, Connecticut than are living in that county. Why should they go to Hartford of all places? Hartford is an insurance center, the focus of a great deal of money flow.

Under an economy of chronic unemployment the least employable suffer most. The young people of minority races at an age when they most should learn to work and develop skills are instead trained to idleness and crime. Women's and black's wages are depressed by competition with the unemployed. The nation now cannot drastically reduce its consumption of very limited petroleum reserves for fear of increasing unemployment. To change all this would require so little. With enforced circulation of the medium of exchange and investment of excessive income the whole scene would alter. For example, with present interest rates on mortgages and distribution of income, housing and employment in building become prohibitively expensive. With a demurrage economy, housing would be within the reach of nearly all. And the exploitation of farm labor and farmers with the concomitant disregard for the soil would end.

Not only does capitalism generally lead to chronic unemployment and inflation, but at the same time it causes overemployment in the competitive economic world, driving business executives, professionals and wage workers alike in a pace of life that allows inadequate time and energy for effective parenthood. People trying to keep up to the standard and pace of living our civilization has set for them turn to two or three jobs per family; under these circumstances effective reproduction fails. The conditions of the well-to-do are as tragic as those at the other end of the economic scale, but the long time effect on the future of society is yet more serious. In contrast, during the medieval period in Europe, guildsmen could support themselves on but a fraction of the days per year of workmen in modern industrial society.

I have dealt only cursorily with the subject of inflation in order to give the over-all picture of the economic problem and what can be done. It is now time to deal with inflation in greater detail. Why is inflation necessary to the capitalist economy? Why does it occur in practically all countries? (Russia also made a drastic devaluation of its currency.) Why did inflation become widespread in Europe only following the end of the era of taxed currency?\*

It is generally understood that the greater the unemployment in Capitalist economies, the less the tendency toward inflation, and similarly in the other direction, the greater the employment the greater is the tendency to inflation. With full employment labor can ask higher wages and can buy all the goods that are on the market, leading to bidding up in price of goods. The other condition, that of little or no inflation, leads to unemployment and depression because people with money can hold it off the market uninvested without loss and so can charge higher interest, both of which reduce the market, handicap business enterprise, and throw labor out of work. With such widespread unemployment, the tax income of governments falls off and governments tend to have to borrow or print money to get enough income, especially to support the unemployed on government relief and to create alternative public employment to keep the public satisfied. This sets the stage for inflation, since deficit government financing increases the money in circulation without sufficient increase in productivity. Thus both unemployment and inflation become chronic in the typical capitalist economy.

When the foundation of a house is designed wrong - crooked, weak, on sinking ground - the superstructure is afflicted and must be subject to corrective measures to compensate for the bad foundation, such as in the case of the leaning tower of Pisa. The same is true of the economy. A hoardable, and consequently artificially scarce and high interest money necessitates modifications in many other aspects of the economy, many of those modifications further encumbering the economy with governmental programs and complications. A clear instance is that when, due to inadequate markets, a depression develops from people with surplus income ceasing to invest that income, governments compensate for the inadequate money investment by borrowing the uninvested surplus income and spending it on various programs ranging from

relief to the unemployed, make work, public works and military expenditures or adventures. War is often the easiest way to get the public to support government expenditures. But the end result of the government borrowing all this surplus income is that the non-governmental part of the economy is starved of labor and capital investment, ceasing to be profitable or adequate. As William Simon observes, "Since the early Sixties, the United States has the worst record of capital investment of all major industrialized countries.\* For the government to simply refrain from borrowing idle funds accumulating in the hands of those with surplus income results in continued high unemployment and the severe losses in tax revenue and human loss that ensue, leading themselves to government deficits.

The only way the government can avoid borrowing to keep a high level of employment is to give capital a compelling necessity to go into active investment at whatever interest rates the market will pay, even if those interest rates turn out to be negative. Under those circumstances, active new investment will be taking place all over the economy and full employment will ensue. Then the supply of goods will catch up with the needs, the very wealthy will have less income for luxuries and the working class will have sufficient income so that governmental aid programs will not be necessary.

However, there is one major problem yet to be faced. When we have the necessary incentive for people to continue to circulate money, well-to-do people with surplus income turn to investing their money buying up or hoarding the remaining basic necessity of life, which is land and with it natural resources.

During the period of the Middle Ages that I have spoken of, this did happen. Consequently, it was called feudalism, an economy dominated by the role of land ownership. The free cities or communes of that time had their land controlled and owned by the community itself. But, generally the scarcity of land, bought up by the landlords and by the well-to-do, was a great disadvantage of that time. Unless we have some way of avoiding private landlordism, the tax on money, making money circulate, is incomplete as economic reform.

To conclude, I think we can say with assurance, we can save free enterprise and with the kind of free enterprise we can achieve, we would be achieving the real objectives which the communists cannot achieve under a state controlled economy. The object of communism was not state control, but the elimination of state domination. That has not happened. Russia is not a communist country but a state capitalist country.

All parties with good purpose, left, right, and center, conservative and radical have a real interest in the kind of economy I am speaking of. The open market is not working well under capitalism today. We can make it work well. There are other problems which will have to be tackled, and I'm not suggesting that we have Utopia around the corner of that this is a cure-all. I'm saying that this is an essential change that must be made if we are to maintain a free society with freedom and human justice.

I would emphasize that an open market economy is not synonymous with capitalism, but capitalism is rather an economy dominated by the role of capital, for in our society capital can dominate the economy by virtue of its ability to, in Dahlberg's words, "go on strike" to withhold itself from investment and circulation without loss.

It is difficult for people to conceive of how a taxed currency or money could work because it is so foreign to their experience. Those who have any degree of experience have a much clearer idea of its significance. One such person was Zakir Hussain, an Indian economist who became president of India. When I spoke to him about a taxed currency and its effects, he told me that he had observed the function of such a money tax in overcoming unemployment. Among Muslims with whom Mr. Hussain had lived, there had been a tax on the money people had in their possession. Each year when the tax fell due, there was full employment because everyone with money wanted to pass his money on in trade with someone else who needed it before the tax fell due. This is the process that would be continuously in effect with the kind of tax on money that such economists as Arthur Dahlberg propose.

Many questions have been raised about how a "demurrage" money economy would work. A few of the more common questions should be dealt with here.

How would inflation and deflation be avoided and a stable price level achieved? A stable price level means that the value of money is constant in relation to a wide variety of goods. The treasury would issue and redeem money in exchange for a wide variety of goods that should be held as reserves, such as the "ever normal grainery" and strategic stockpiles of goods. If the treasury or federal reserve banks were to thus create money with the backing of goods and the money could be hoarded, there would be the same pyramiding cost of storage of goods the government has had with price supports and strategic reserves, or loss from dumping excessive reserves on foreign markets when people convert excessive goods they cannot consume and hoard money at no storage costs. A taxed currency pays the cost of storage of treasury reserves and keeps people from hoarding money that requires excessive reserves. If people suddenly need to convert much of their money into goods, the money supply would be automatically reduced and inflation would thereby be avoided.

How would a nation with an already inflated money supply keep the tax on money from causing runaway inflation as soon as a taxed money was begun? Such a nation could tax only that portion of its money supply needed to be in circulation, leaving the rest to be hoarded as non-interest bearing government obligations.

## THE MAKINGS OF THE FUTURE

On the cover of this Community Comments we reproduce two headlines; "City Dwellers migrating back to rural America" and "Recession: the poor keep getting poorer." We must examine these two trends to understand what they portend. Back in the thirties the same headlines might have been printed; it was in those days that Ralph Borsodi's Flight from the City was widely read and followed. The rural movement of that earlier era largely collapsed, many of the people who joined in that flight from the city ultimately finding themselves in serious economic difficulty and cultural isolation. While we may expect a different outcome from the present movement to the country, this too may be misleading in its hope unless there is more penetrating understanding of economic realities than characterizes literature of the rural life movement.

As the world goes, the middle class of America is extremely wealthy. The deterioration of the cities and the unwholesome way of life in the suburbs stimulates many middle class people and industrialists to leave the large cities; they have sufficient wealth and other advantages to do so. But the large cities got their population in the first place because the hinterland was vulnerable to exploitation. Rural areas and the underprivileged are still vulnerable to exploitation as in the past.

An unhealthy condition of society is spreading into many rural areas that had once been relatively classless societies. Land is being bought up by the middle class escaping from the cities and impoverished rural people are the less able to pay rents and taxes -- they must move to the city or become again as a century ago, alienated labor in rural factories. Nor have conditions so changed in the social order as to avoid repetition of exploitation and impoverishment of the new rural population that has just escaped from the city -- or its incorporation in the county seat elite of wealth living off the underprivileged.

Just as well-to-do and capable farmers are now being pushed to the wall, or employing still more exploited migrant labor, so similar economic forces are ready to afflict the middle class people who just escaped from the city. Rural communities vie with each other to give tax-free privileges to industries escaping from the city. But the long-term effect is commonly more effective exploitation of rural labor in absentee owned plants. If the condition of the impoverished working class is not also relieved, social breakdown can carry with it the middle class utopias.

The population changes that have been taking place in America leading to a net rural migration since 1970 are an augmentation of the change that had been developing in the sixties. Census figures show that since 1970 population gained 4% in rural and nonmetropolitan areas, contrast with a 2.9% gain in metropolitan areas, rural growth being greatest in areas of low land value such as Vermont, northern Michigan, the Rockies, Appalachia, and the Ozarks. Simultaneous with it there continues movement to the city. We now will examine this population movement in detail.

## Quality of Population

"In the age-long panorama of human affairs nothing is so vital, so crucial, so full of potentialities as the combination of size and quality in the human population itself." So wrote Henry Pratt Fairchild a good while ago. But the question of quality of population has been overshadowed recently by the problem of quantity--of "too many people". Also, recent recognition of the falsity of the myth of superiority of the privileged and well-to-do has tended toward the conclusion that there is no superiority anywhere, and no such thing as quality of human stock. Yet the issue of quality is still crucial, taking precedence, actually, over that of quantity, for a poor quality of people is incapable even of what it takes to control excessive quantity.

The control of quality of population is the product of interaction between genetic inheritance and social culture. The question of which is most important need not sidetrack us. Whatever the combination of culture and genetic factors, human societies until the era of civilizations maintained standards of avoiding reproduction of defective and inadequate persons, sometimes eliminating defective infants. This is one of the findings in Carr-Saunders' study of population control discussed elsewhere in this Community Comments. But modern society seems to reverse this influence.

If we extract from a population group its most cultured, energetic, competent, socially concerned and responsible persons over a period of many generations, there will remain a population of such poor condition that it may require centuries or thousands of years of favorable development for it to become again a milieu for a high culture, especially if the people effected are the great majority of a large area. Precisely that degeneration has recurred for large sectors of civilized peoples in the past, with their ultimate displacement by other undeteriorated populations. The high wage market for superior human resources in metropolitan centers of urban civilizations leads a large proportion of the best human population to remove to these centers; there they share in the progressive lowering of birthrates in such areas. In the meantime, the less able or fortunate ones left behind beget their large families without ambition or means to create or pass on healthy culture or understanding, but quite able to keep population quantity in crisis.

One of the demographers or population authorities most aware of this issue of human quality is Calvin Beale, leader of the population studies group of the Economic Research Service, United States Department of Agriculture. In two recent articles he throws significant light on what is happening in our rural population. "Rural-Urban Migration of Blacks Past and Future,"\* shows the same pattern of selective migration to the cities of high school educated black people, contrasted to lesser migration of the less educated, as occurs among the white rural population. "In all age groups the

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\*American Journal of Agricultural Economics, May 1971.



higher the amount of schooling, the higher the proportion who had moved to the city." Yet the black people who remained in rural areas maintained a significantly higher birthrate. Mr. Beale expressed surprise in finding from the data that the birthrates of the migrants to the city fell to the level of other black city dwellers. But an unpublished study by Jeffrey Leonard showed that among these migrants the unemployed increased their birthrates as compared with their rural background whereas the most fully employed drastically reduced theirs. (It is noteworthy that the economic success of these migrants quickly became equal to those of black urban natives. The poor small rural schools did not significantly handicap their students in getting urban employment.)

The second article by Mr. Beale "Rural development: population and settlement prospects"\* surveys the current scene of American rural and hinterland population, showing some areas with hope and others declining or lacking in hopefulness. It appears from his study that rural small towns are dying only in certain regions but not in others. In general, communities of less than 300 were likely to decline. But non-metropolitan towns of more than a thousand have had average increase in population equal to the national rate of population increase. Livelihood in rural towns has increasingly depended on commuting to employment, yet many rural communities have begun to acquire manufacturing plants to give employment.

Incidentally, the location of manufacturing plants in smaller towns is increasing "partly because of the declining advantages of big city industrial location." The chairman of the TVA, Aubrey Wagner, told me that industries are moving into the Tennessee Valley region in part because of the much higher productivity of labor there. He quoted a northern industrialist as saying that the productivity of labor had doubled with a firm's employment of Tennessee Valley workers as contrasted with northern city workers. This emphasizes the effect of large cities on the working population, and confirms the observation of a Dutch capitalist who years ago told Arthur E. Morgan that "virgin" unexploited rural labor is a major resource for industrial exploitation, in contrast to long exploited labor in the older cities. Peoples' capacity for productive labor as well as their capacity for healthy and effective reproduction and child care are progressively depleted by state or private capitalist industrial exploitation, especially in large cities. Industrialists move to low cost, high morale and more productive rural labor, augmenting the trend toward factory employment in hinterland communities.

Mr. Beale reports a "major reduction in out-migration from non-metropolitan areas during the 60's, the migration rates dropping to less than half the earlier rate. Two areas have gained instead of lost: the Ozarks and the TVA region have changed from a 9% loss in population from out-migration to a 13% increase in population."

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\*Journal of Soil and Water Conservation, Jan.-Feb., 1974.

+Jeffrey Leonard: "The Impact of the Rural-Urban Shift on Negro Fertility."

Yet in spite of these spots of more healthy developments, Mr. Beale shows that present trends continue to concentrate population in metropolitan areas which now contain three quarters of the nation's population, while selective depopulation of major rural areas of the country continues. When youth and the gifted are selectively drawn from these regions, such as the great plains, there develops a momentum that Mr. Beale shows "apparently tends to feed itself. What psychological support and incentive does a young adult have to remain in a community where the overwhelming majority of his peers and siblings have left or are about to leave? There is almost the force of a *deus ex machina* needed to break the cycle." In our experience young vigorous minds find the cultural poverty, the hold of the dominant conservative elderly and the entrenched selfish economic interests and political machines of rural areas and small towns deadly to the spirit and the economy.

Today as in the past one of the most important factors making for quality in future populations is the development of stable societies that pioneer in a whole way of life developing and maintaining standards, religious foundations, competence and effective care and education of their children. When the Roman empire collapsed it was such societies that survived it in the early Christian movement. In England, when degeneracy and loss of concern for future generations and for enduring values of life became widespread, the non-conformist religious groups developed a discipline of life amongst minorities in the working class and rural population that became a significant presence and influence in the regeneration of English society. Within these groups ways of life necessary to the survival of excellence were developed. Today the Black Muslims, Seventh Day Adventists, and a good many other sectarian religious fellowships are havens of meaningful, ethical and disciplined living in this increasingly disoriented world. Their members tend to move away from metropolitan centers.

It is a law of nature that those fit and worthy to survive maintain themselves by association in a more qualitative existence amidst the increasing disintegration around them, avoiding destruction by cultural and genetic degeneration. As Jesus expressed it, the wheat and tares both live in the field till the time of harvest, at which time of threshing the tares are separated out. This has been the process of biological survival and of civilizations, each time of crisis resulting in a vast dropping off of those unfit to cope with the adversities of history. This process has not ended. It cannot be considered merely an expression of human cruelty; rather it lies in the very nature of things, the process by which quality and progressive development are secured out of prolific, indiscriminating quantity. This process of history will have its way to merely quantitative gains. The person who lives to contribute to qualitative culture and the long-term improvement of men knows that his values will not ultimately be wiped out.

## AUTHORITATIVE MISINFORMATION

One of the most pressing and threatening problems of our times, the population explosion, has been the subject of serious misunderstanding and consequently of ineffectual programs to deal with it on the part of the leading authorities and organizations in the nation. As elsewhere in our society, the role of the small community as one of the few universals in healthy social function has been ignored and left out of the equation. As a result many learned and well-financed calculations and programs have had a large measure of failure.

In its 1968 annual meeting the American Association for the Advancement of Science had as a major topic, the population explosion and means of population control. The president of the Association, Hudson Hoagland, stated the view now dominant that mankind has had to breed to maximum capacity just to survive during the first 99% of its existence, and "now at long last mankind must take unprecedented measures to bring population growth under control" At this same meeting Margaret Mead, a subsequent president of the AAAS, echoed the same dictum although she was aware at least of population controls which had prevailed in Japan and the Pacific islands. In subsequent discussion, she rejected my suggestion that we may have much to learn from practices and culture of population control that for most human societies had prevailed over the world until a few centuries ago. She expressed ignorance of the fact and discounted its significance for our times.

The September 1974 issue of Scientific American purports to be a round-up of authoritative information on the subject, The Human Population. With one exception the contributing authorities establish in the public mind the same serious ignorance and culture-bound misconceptions that were displayed by Hudson Hoagland and Margaret Mead six years earlier. Thus Ansley Coale asserts in his "The History of the Human Population" that, "Until some 200 years ago the size of the human population remained fairly stable because high birth rates were balanced by high death rates. The great demographic transition came when death rates fell." The lead article by the President of the Population Council, Bernard Berelson, and Ronald Freedman, Associate Director of the Population Studies Center, bases its argument on the same theory. They write that the great increase in European population "was the product of the decline in their death rates, prolonged over three centuries...Earlier the high fertility of mankind was balanced by high mortality."

Students of "primitive" medicine are increasingly learning that in many cases it had a competence and sophistication previously unsuspected. In the American Heritage issue on the American Indian, an American doctor's experience at the time of the Civil War is reported. This doctor was present when a large group of American Indian prisoners were released from prison at Abraham Lincoln's orders. The doctor saw how desperately ill and crippled almost all these Indians were and anticipated that with the best of medical care there was little hope

for most of them. Checking up later he found that under the Indian medicine man's care almost all of these men had survived with a high rate of cure, which the doctor considered would have been impossible under the white man's medicine. Pre-modern man was by no means always "high mortality" man.

We should not assume that the birth and death rates of pre-modern man were necessarily so much higher than modern ones; nor that economic organization, transportation and technology were primitively simple. The Inca empire, for instance, had a far higher order of economic organization in the use of land and food distribution than exists today even in many highly industrialized countries. And the quality of nutrition and health, and infant and maternal mortality rates were definitely not always markedly inferior to modern ones. An intensive and world-wide study by Dr. Weston Price, Nutrition and Physical Degeneration, explodes the myth of modern man's general superiority in these respects. He proves that the diet and way of life of modern civilization causes "decrease in the ease and efficiency of the birth process." The changes he records are so great that those ignorant of the health of primitive people and ease of primitive childbirth would assume a high mortality as inevitable, but would be quite mistaken. His evidence strongly supports Arthur Morgan's and Carr-Saunders' claims that populations of pre-modern man were primarily kept from over-running resources by folk population controls, not primarily by high death rates.

Arthur E. Morgan, around 1906, visited with a remarkable though primitive backwoods Arkansas doctor, related to Abraham Lincoln, who pointed out a house in which he had delivered a baby the night before, saying that it was about his "thousandth, and he had not lost one yet." Arthur Morgan asked the secret of his success, and the doctor answered, "when the apple is ripe it will fall." He had learned to cooperate with nature. A news report gave basically the same picture of the work of a back country midwife in England. The arts of a good midwife coupled with a healthy rural people made possible a very low infant and maternal mortality in many parts of the world.

In the same Scientific American Paul Demeny, vice president of the Population Council, makes clear in "The Populations of the Under-developed Countries" the desperate problem facing the world in the population explosion. "These populations, accounting for nearly three-fourths of the human species, will continue their rapid growth for the rest of the century. Control will eventually come through development or catastrophe."

But Mr. Demeny makes the same mistake in his background understanding as do most of the other authors in the Scientific American's special issue. He writes, "The frequent references to 'soaring birthrates' in popular interpretations of contemporary changes in the under-developed world have little factual basis and in many instances no basis in fact at all. Rapid population growth is mainly a result of falling death rates unaccompanied by adjustments in birth rates." This is a dangerous half truth. For a time both birth and death rates had indeed been high, but that too had been a more recent

phenomenon, occurring only since widespread capitalist western imperialism intruded into the countries involved. The tripling of population he notes between 1750 and 1950 is to a degree "attributable mainly to gradual (but not universal) improvements in levels of living resulting from improvements in economic organization, agricultural technology and transportation and distribution facilities." This however does not mean that population increase resulted primarily from lower death rates resulting from less disease and famine during that time. For the reduction in mortality is recent, while the population explosion started earlier! Hence the statement Mr. Demeny next makes is a non-sequitur: "Recent decades have shown an often dramatic acceleration of the downward trend in mortality because of advances in the technology of health and environmental sanitation."

Mr. Demeny states his basic hypothesis in explaining "the conceptual framework called the demographic transition....the framework rests on two pillars of solid fact. First, mortality in pre-modern, pre-industrial societies was high and so therefore were death rates. Populations that survived must necessarily have maintained high levels of fertility, that is, high birth rates. Second, in advanced industrial societies both mortality and fertility were low, without exception. The demographic transition is the process whereby societies move from the stage of high mortality and high fertility to the stage of low mortality and low fertility. All underdeveloped countries are now in such a transition. The wide differences in their birth and death rates show simply that they have travelled different distances along the route and that the relative timing and speed of their transitions in fertility and mortality are not uniform ." That is the central dogma on which rests the argument of the articles in this special issue of the Scientific American.

This argument is based on an underlying ignorance and prejudice, the assumption of the superiority of the conditions of living of modern man as contrasted with pre-modern man. Pre-modern man had commonly achieved high levels of nutrition and well-being, often low levels of mortality and infant mortality, better than many that existed in the recent period during which the population explosion took place. Because they had effective population controls they were able to maintain a high level of health--and freedom from famine. But we are becoming a little less confident of modern superiority. For instance, recently there was a discussion by some learned medical men of the question "at what date did the medical profession cease to do more harm to its patients than it did good?" The doctors after consideration and review of the evidence decided on the date of about 1900. In short, a basic postulate of the theory of "the demographic transition" is wrong, and collapses. Mr. Demeny clearly states the implications of that collapse in writing that "Effective methods of fertility control have always been known and available to all societies. Fertility transition implies social changes rather than a change in technology." Therefore it is the social changes that led to the population explosion and the demographic transition that we must understand.

A further support of our thesis is an intensive study in human biology by a group of scientists in England. Conceived as a laboratory control study of a significant number of people in an urban environment, the Pioneer Health Center in Peckham, London, was established. With the facilities of this community center, what happened among human beings ceased to be a matter of statistical abstractions and became a controlled scientific observation of life, work, play and social relationships within a community medical and recreation center. What emerged into clear demonstration contrasted starkly with demographers' interpretation of the abstract figures of the statisticians\*. In brief, they found that human populations in the large city progressively reduced their birthrates primarily because of the unsuitable conditions of urban living for family life and the rearing of children, and a resulting decline in general vitality. Clearly sensing this, people turned to abortions when pregnancy occurred and avoided pregnancies when they could. The medical profession could prevent epidemics of disease, and food could be supplied from over the world, but these alone did not yield healthy vitality and capacity for child rearing.

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"The increase of the population of the United States has been one of the world's outstanding demographic events. When the first census was taken in 1790 the nation had slightly less than 4,000,000 inhabitants; on July 1, 1948, it had more than 146,000,000. This represents the addition of more than 141,000,000 persons in a century and a half, or growth to more than thirty-five times the size at the beginning of the period. Few nations of the world have surpassed or even equalled this performance.

"For at least 70 years (1790-1860) the population increased at a rate of 32-37 percent a decade. During this period several prominent people, among them Abraham Lincoln, made estimates of the additional growth that was to be expected. Like most of the others Lincoln assumed the continuation of a relatively high rate of increase and forecast a population of over 250,000,000 in 1930. The 1948 forecast according to his assumptions would be 430,000,000--three times the actual population. Fortunately for our standard of living, the rate of increase declined after 1860. From 1860-1890 it was close to 26 percent per decade; during 1890-1900 and 1900-10, about 21 percent; and during 1910-20 and 1920-30, about 15 or 16 percent. The great depression of the 1930's reduced growth to less than 8 percent from 1930 to 1940, whereas prosperity raised it to nearly 11 percent from 1940 to 1948 (which probably means over 13 percent for the current decade). During the 1950's and 1960's the downward trend in the rate of increase probably will be resumed."

--P. K. Whelpton, "A History of Population Growth in the United States"  
Scientific Monthly October, 1948

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\*Report to the British Royal Commission on Population by the Pioneer Health Center.



## CARR-SAUNDERS AND THE HISTORY OF POPULATION CONTROLS

Community Service's interest in the subject of population control among societies in the past has been of long standing. While he was a member of the University Commission of India, Arthur Morgan inquired into such controls during his travels over India, and found evidence of their having been widespread. We have found increasing confirmation of their past existence, as when a woman from Kerala, the most densely populated province of India, reported to us about her study of such past practices existing long ago in that state when it had been sparsely populated. This prepared us to recognize the importance of the definitive study of the subject, The Population Problem, by the English sociologist A. M. Carr-Saunders. In this book he surveyed human societies throughout the world, from primitive to historic and recent societies for evidence of "The Regulation of Numbers," and everywhere he found evidence of the same kind of maintenance of optimum density that Wynne-Edwards has more recently documented among lower animals. Key passages from his extensive study give the overall picture necessary to appreciate the importance of this background understanding to modern society:

This conception of an optimum number holds good wherever there is social cooperation between groups of men living within definite areas. As we have seen, a primitive type of social organization exists among all these races. This implies a certain degree of cooperation....these races are all, without exception, divided into groups which are strictly limited to definite areas - contrary to the still common notion that they wander where they please.

Thus in Australia,

There is no doubt, in the first place, that the tribes were everywhere restricted to clearly defined territories.

Wherever we turn we find similar evidence of the recognition of distinct areas over which groups have more or less exclusive rights. Every tribe certainly has its own clearly defined territory; it seems further very probable that in most places the tribal territory is divided among local groups, if indeed the subdivision does not go farther. The Bushmen were formerly divided into tribes occupying 'well defined tracts of country, which they looked upon as their own ancestral hunting ground.'

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A. M. Carr-Saunders: The Population Problem: A Study in Human Evolution, Clarendon Press, 1922, reprinted in 1975 by Arno Press, New York.

It is clear that within any group in any primitive race, the members of which cooperate together to obtain their food from a definite area to which they are confined, the principle of the optimum number holds good... Extreme departures from the optimum number must be very disadvantageous; if numbers increase until they are limited by starvation only, then no benefit arises from the use of any skilled methods that may be known.

This being so, how are numbers regulated? We may observe to begin with that there is a number of factors at work among all these races which incidentally limit increase. This they may do either by decreasing fertility or by increasing elimination. To the former class belong pre-puberty intercourse and prolonged lactation, to the latter war and lack of care of children.

There is another class of factors the primary and not the incidental function of which it is either to reduce fertility or to cause elimination. These factors are prolonged abstention from intercourse, abortion, and infanticide. The view put forward here is that normally in every primitive race one or more of these customs are in use, and that the degree to which they are practised is such that there is an approach to the optimum number.

....in spite of all such tendencies working for the rapid disappearance of these customs, and in spite of the bias against believing in their existence, there is as the Appendix shows, ample evidence that one or more of these practices are recorded for almost every people.

....these customs are practiced as normal features of social life and in such a manner as to keep the number of children at a fairly constant figure....the number of children to be preserved is a matter for consideration in which the wishes of not only the parents but also of the relations and of the community in general have to be taken into account.

Such practices of limiting population did not end with the transition from primitive man to what we call civilized. Thus when the Christian church put an end to many earlier practices of population control, Carr-Saunders shows that not only was there an increase in celibacy, as in convents and monasteries, but

Also in this period for the first time in the history of the world postponement of marriage became of importance. The evidence as to the age at marriage is unfortunately far from exact. There is, however, a very large amount of evidence which shows that, at least in the society typical of most European countries from the tenth century onwards, marriage was, except among the privileged classes, always somewhat, and often very long, postponed both for men and women, though more for the former than the latter. This postponement was brought about by the pressure of social conditions, customs, and laws.

The demographer, Frederick Osborn, confirmed Carr-Saunders' findings that these controls extended into medieval Europe. He wrote, "The folk culture of medieval Europe included many elements that limited...high fertility.... Each man at marriage became responsible for the support of his wife and of any children that might be born to them. It was commonly assumed that a man could not properly marry until he was in a position to discharge these responsibilities. There was, in fact, strong social pressure against 'improvident marriages.' ...The economic pressure operating through this social system in medieval times was the limitation of land resources."\*

In our analysis of the distress that came over Europe with the ending of unhoardable money we have shown that this distress settled in around the middle of the fifteenth century. Hence the significance of the following record from Carr-Saunders:

There was reason to believe that towards the middle of the fifteenth century there was a considerable increase in population, unaccompanied by any great improvement the means of production, and consequently a relative over-population in many European countries...frequent complaints of poverty and lack of employment.

The transition from the conditions of what we have called the mediaeval period to those of the modern world was relatively sudden. The economic changes connected with the rise of the industrial system in the latter half of the eighteenth century did away with the obstacles to marriage which have been mentioned.

What, then, is the cause of the overpopulation which almost certainly exists in parts of India and China? Overpopulation...sometimes happens when a higher and a lower civilization come into contact and has been one of the causes of overpopulation in India...as the result of a spirit of apathy and listlessness. Under such circumstances, which are usually the result of social oppression or political misfortunes, no effort is made to keep up the standard of living and consequently the machinery designed to restrict increase breaks down.

That which is common to these races, where over-population is suspected, is the absence of hope and fear alike, of ambition and of a standard of living; they are contented to subsist on what will just support life. Such conditions are fatal to the attainment of a desirable number. Abortion and infanticide may still be practised, but as a rule only in the presence of absolute need, not as regular customs

before the need arises. To the bringing about of these conditions the factors mentioned above contribute, but they probably never represent the whole cause. In these cases we seem always to find that political misfortunes have overtaken these people. They have suffered from oppression in one form or another and gradually the old customs have been lost; hope and ambition have faded from the outlook.

In consequence of oppression the mass of the people has by degrees sunk to a degraded condition in which neither the former customs are practised nor is an individual effort, as a rule, made towards the attainment of the best which the skilled methods available, surroundings and so on, make possible.

One of the first changes brought about by contact /with Europeans/ is connected with the introduction of diseases previously unknown. These diseases are often peculiarly fatal, causing a very high death-rate, and it is clear that, unless the practices of abstention from intercourse, abortion, and infanticide were largely abandoned, the race would perish. There is no difficulty in understanding how these practices would actually be abandoned soon after the introduction of disease.

Carr-Saunders gives a greatly needed warning that merely making population restricting practices available or put in practice by those willing to do so does not suffice in population control. Without general acceptance and culture of maintaining optimum population, the power of increase of unresponsive and demoralized population groups can quickly fill in and overcrowd society with surplus population. Hence the crucial necessity of ending capitalism's intrinsic pattern of producing a hopeless, demoralized class of underprivileged on relief, or underemployed.

It is thus, then, that a flaw in the money and tax system leads to the destruction of sound qualitative population trends. The demoralization of poverty-stricken or relief-supported city or rural unemployed masses leads to a non-qualitative population explosion.

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Even primitive societies practice some form of population control--by infanticide or abortion or sexual abstinence or crude contraceptives. ...It is worth noting that one retarding factor in the past /toward population control among less developed peoples/ has been the reluctance of colonial powers to encourage birth control in their colonies....

-- Julian Huxley in Scientific American, March 1956

## POPULATION CONTROL AMONG THE BUSHMEN

The management of sex in folk societies was an important aspect of population control and of social and mental health. Among many people intercourse was prohibited during the years the mother nursed her baby. Awareness of the extrasensory dimension of personal relationships had important implications in sex life. Continence then did not necessarily mean the denial of sex, but its wider fulfillment, a greater emphasis on its expression in love as compared with the procreative act. A recent account of a gentle and beautiful folk society that depended on continence is given in Elizabeth Thomas' book The Harmless People\* about Africa's Bushmen:

"Birth is usually joyous. Bushmen of all ages adore their children and grandchildren, placing a child's health and wishes uppermost in their minds. Orphans are eagerly adopted by their aunts or grandparents, and a newborn baby is welcomed as though it were the first baby the "werf" had ever seen. Sometimes, though, a baby is destroyed. If a woman bears a child that is crippled or badly deformed, she is expected to destroy it, and if the season is very hard and she already has a baby under a year old depending on her milk, she is forced to kill her newborn child. Bushman women can hardly bear this, but they do.

"If a woman knows that she must kill her baby, she braces herself for this as best she can, and when the time comes to do it she must act immediately, must take advantage of the moment after birth before the infant has "come to life," that moment between the time the baby is born and the time her love for her baby wells up in her so that the act would be impossible forever after. She must think of the child she has already and act quickly, before she hears her infant's voice, before the baby moves or waves its feet; she must not look at it for long or hold it, but must have a shallow grave ready for it and must put it in at once and cover it and never think of it again. In times of extreme deprivation she can do this, or she can wait to watch both her children die. All this is very hard, and Bushmen, who have no mechanical form of contraception and know no way to cause miscarriage or abortion, prefer to abstain from intercourse for long periods rather than to suffer such pain.

"We knew one woman who had been forced to destroy a baby to save an older child, and we knew one woman who had borne a crippled child and had been persuaded to destroy it by her mother, who had been present at the birth. Such things are very rare, though, and this is fortunate."

\*Published by Alfred A. Knopf, Inc., New York, 1959, pgs. 162-3. Printed by permission of the publisher.

## POPULATION CONTROL AMONG AMERICAN INDIANS

A Susquehanna Indian, Lightfoot Talking Eagle, told of a legend among his people that reinforced their tradition of limiting population to what the land would bear. The legend went that there was a time when people had so many children and the population grew so great that they ate up all the animals and then all the plants, and then they largely starved off. Since then the American Indians had been careful not to have too many children. Behind the population control characteristic of American Indians there was a deep sense of being part of the order of the universe, indicating that the technology of contraception is not the key to population control.

John Collier, in his Indians of the Americas, thus describes this culture and its relevance to the world of today:

" 'They had what the world has lost, they have it now. What the world has lost, the world must have again, lest it die....'

"What, in our human world, is this power to live? It is the ancient, lost reverence and passion for human personality, joined with the ancient, lost reverence and passion for the earth and its web of life.

"This indivisible reverence and passion is what the American Indians almost universally had; and representative groups of them have it still. They had and have this power for living which our modern world has lost - as world-view and self-view, as tradition and institution, as practical philosophy dominating their societies and as an art supreme among all the arts....

"By virtue of this same power, the little pueblo of Tesuque, in New Mexico, when threatened by the implacable destroying action of government some twenty-five years ago, starved and let no white friend know it was starving. It asked no help, determined only to defend its spiritual values and institutions and its remnant of land which was holy land.

"If our modern world should be able to recapture this power, the earth's natural resources and web of life would not be irrevocably wasted within the twentieth century, which is the prophecy now. True democracy, founded in neighborhoods and reaching over the world, would become the realized dream of heaven on earth....

"True, the deep cause of our world agony is that we have lost that passion and reverence for human personality and for the web of life and the earth which the American Indians have tended as a central, sacred fire since before the Stone Age. Our long hope is to renew that sacred fire in us all. It is our only hope...."

John Collier, Indians of the Americas, New American Library, 1948. Reprinted with permission of the author.



# CITY AIR MAKES PEOPLE FREE

By Chuck Hickey

## The Limits of the City

By Murray Bookchin

Harper and Row, Publishers

New York, 1973.

I was quickly drawn into this book by the eloquent style of Bookchin's writing. The book opens with this thought-provoking commentary:

A well known medieval adage has it that "city air makes people free." Although the freedom afforded by medieval cities generally meant emancipation from serfdom, the same adage might have been repeated from slightly different viewpoints throughout the history of urban life.

Another appealing sentence appears early in the book:

Humanity is exiled from a harmonized universe to the realm of social contradiction, where the problems of material want are felt as harsh antagonisms between one stratum and another.

In the opening chapter, Bookchin traces the development of the city from the agrarian level of society through the beginnings of collective living where people lived close together for protection and exchange of cultural artifacts and goods. He describes one of the first cities discovered by White People:

An illustration of the earliest cities can be drawn from descriptions of the Aztec "capital" of Tenochtitlan, encountered by Spanish conquistadores only three centuries ago. At first glance, the community is deceptively similar in appearance to a modern city. Although architecture and the design of life were "exotic," the dimensions of the city, the height of its structures, and the lateness of its discovery by white men seem to place it closer to the end rather than the beginning of urban history. According to George C. Vaillant, to the Spanish invaders who first saw it, "in contrast to the drab towns and tawny hills of Spain, Tenochtitlan must have appeared a paradise, for its green gardens and white buildings were set in the midst of blue lakes, ringed by lofty mountains."

Bookchin then explores the development of the "bourgeois city" in which the importance of producing goods for useful purposes was gradually replaced by the production of goods only for their exchange value. There is a difference in the way people relate to each other after making money becomes the primary value:

During the Great French Revolution, the Parisians replaced the feudal nomenclature by the single word "citoyen" to express their newly discovered national solidarity. Later events were to reveal that beneath the apparent unity of the nation lay profoundly divergent and antagonistic social interests. The medieval commune for its part used the more organic term, "brother." "Unus subveniet alteri tamquam fratri suo- 'let each hold the other like a brother'- says a Flemish charter of the twelfth century, and these words were actually a reality...

In the chapter, "The Rise of the Bourgeois City," Bookchin articulates the shift from valuing the person, personal fulfillment, culture, tradition, and craft to valuing only the accumulation of money regardless of whether the goods from which the profit came benefited people, their interests, and their needs. The factory, according to the interpretation of the author, turns out to be the symbol of the rise in importance of profit over people. Bookchin analyzes the effect of the entrance of the factory upon community living:

If the mere extension of commodity relations can be said to have transformed the medieval commune into the bourgeois city, the factory may be singled out as the agent which gives the city its structural form and its social purpose. By the word "factory" I mean more than an industrial enterprise: the factory is the locus of mobilized abstract labor, of labor power as a commodity, placed in the service of commerce as well as production. Accordingly, the term applies as much to an office building and a super market as to a mill and a plant. Once the factory becomes an element of urban life, it takes over the city almost completely. Here, a very important historic contrast must be emphasized. In the medieval commune, the workshop was a home: it was the locus not only of highly individuated technical activities, but also...of complex personal and cultural responsibilities. With the emergence of the factory, home and work place are separated. The factory is a place to which the worker goes in order to expend his human powers in the service of increasingly anonymous owners and administrators. The factory has no personal or cultural functions; it is merely the collecting and mobilizing center for alienated depersonalized labor.

In the chapter "The Limits of the Bourgeois City" Bookchin shows how capitalism promotes undue attention to profit and compels people to compete against each other. The driving force of the society becomes how to make a profit and "keep my brother from making any," or, at least, "not as much as me." The result is alienation of brother from brother, disregard for the well-being of the human race, an absence of attention to beauty, cleanliness, and usefulness of city and farm. Fundamentally, it is a breakdown of the fabric of the society in which we live.

City streets are hopelessly cluttered; city air is dirty; and yet people continue to move into the city at a rate of tens of thousands of people per day, because the city is where profit-making happens. Bookchin presents the picture of the growth of the city of London:

In 1880, the population of London numbered less than a million people. By 1850, it increased to two million, an unprecedented figure in urban history. Barely manageable in 1800, the capital of England had turned into a monstrous urban cancer in a single century.

Bookchin then adds a theory of how capitalism draws many people to the city, leads to the destruction of the city and the people within it.

By reducing every relationship to a cash nexus, capital removes all the moral and esthetic restraints that held the growth of earlier cities in check. The concept of social responsibility, once intuitive to precapitalist communities, is replaced by a single goal: plunder. Every entity and human capacity is conceived of as a resource for the acquisition of profit: the land, forests, seas, rivers, the labor of others, and ultimately all the verities of social life from those which inhere in the family to the community itself. The new industrial and commercial classes fall upon the social body like ravenous wolves on a helpless prey...

Murray Bookchin reveals the ultimate robbery that the system of capitalism and the city commit against the human race:

Like every factory, the bourgeois city not only devours men but its own raw material-land. In the United States, this occurs at the rate of some three thousand acres a day. Since the end of the Second World War, more than thirty million acres have been buried under concrete and steel, much of it agriculturally productive land. To feed the immense populations that are absorbed by the cities, agriculture too must be industrialized, that is, reduced to a factory operation. This is achieved by spraying crops with harmful chemicals, saturating the soil with inorganic fertilizers, compacting it with huge harvesting equipment, and leveling the terrain in the countryside. Viewed in terms of population and land use, appalling dislocations develop between town and country.

The final chapter is "Community and City Planning." As the title suggests, descriptions of ideal model cities and the plans that brought them together are listed and explained. But Bookchin wisely steers away from easy and quick solutions.

He notes that to create a city in which people care about each other and their environment and the goods they produce, a social revolution is required. He laments that the social revolution which started in the 60's has lost its fervor, and he fears that the issues that were raised during those years will be forgotten.

## COMMUNITY CONTROL OVER SPACE AND POPULATION

Griscom Morgan

(This brief paper, slightly edited, was presented in a session of the 1968 annual meeting of the American Association for the Advancement of Science and published in Behavior & Environment, Plenum Press, New York-London, 1971, p. 309.

"Unlike man, most animals maintain fairly constant population levels"-- So runs the subtitle of the article "Population Controls in Animals" in the August 1964 Scientific American by V. O. Wynne-Edwards. In the conclusion of his article Wynne-Edwards asserted: Primitive man, ...had evolved a system for restricting his numbers by tribal traditions and taboos....These customs, consciously or not, kept the population density nicely balanced against the feeding capacity of the hunting range. Then, some 8,000 to 10,000 years ago the agricultural revolution removed that limitation...The old checks on population growth were gradually discarded and forgotten. The rate of reproduction became a matter of individual choice rather than of tribal or community control."

Such reference to the existence of population controls among earlier human societies is the exception rather than the rule in current literature. However, extensive and detailed documentation on the subject has been available since early in the twenties, proving that most human societies including agricultural and craft peoples until a few centuries ago had strong controls over population growth. The prominent English sociologist A. M. Carr-Saunders, in his book Population Problems, massed detailed evidence of controls prevailing widely over the world until a few hundred years ago that prevented population growth to the point of chronic misery. Unfortunately the uncontrolled population growth at the time of Malthus and since the second world war seemed to prove Carr-Saunders wrong in his conclusion from his data that human populations tended to reach an optimum balance with resources. Consequently Carr-Saunders' work has been relegated to the category of exploded theory, and his factual evidence has been forgotten.

To be drastically misinformed about a primary lesson of human experience will seriously distort human efforts. A mistaken science, on this point, might well contribute to a setback in human affairs. Let us, then, hoping to benefit from mankind's past experience with population control, seek to understand why the controls that so widely prevailed broke down.

Carr-Saunders pointed out and illustrated the role of misery and demoralization in breaking down standards of population control. Such debilitating misery results from the poverty endemic to a faulty economic system, and leads to the disintegration of the larger social orders of family and community. Thereupon uncontrolled drives tend to take over. It is an analogous sequence of development that must be given particular attention as applied to the world scene today.

Past societies that had effective population controls existed within limited boundaries of space. Each had an economy, relating its population to the available natural resources. Each society, community and family had the experience or the memory of famine, motivating it to adjust its population to limited resources. This was the same basic response to population problems that society on a world scale is now having to make, except that previously each local economy had to cope with the problems in relative isolation. In the meantime reduction of disease rates, destruction of local autonomy, a considerable period of increased food supplies and opportunity to migrate to large cities were among the factors that operated to destroy the local community's sense of responsibility for its own population.

Thomas Malthus recognized that the limited local land base for food supply in fact meant an inhibition over excessive reproduction, for the limitations of the local resources were, as he expressed it, "too glaring to escape the most careless thinker." He went on to emphasize that "not only are these checks as absolutely necessary in civilized and improved countries as they would be if each family had a certain portion of land allotted to it, but they operate almost exactly in the same way."

Today we are blessed with a wider world in which to live, but we are having to develop controls in relation to that whole world. The question arises, can we still have the benefit of local controls while yet living in the larger world of association and economic order? A close examination of the process that caused the breakdown of the local economy and controls of the past suggests an important part of the answer to this question.

We now come to the basic and world-wide cause of the breakdown of the smaller community--that community which modern man is learning cannot be dispensed with if humanity is to survive. As the Newsletter of the Institute of Ethnic Affairs put it:

A world-wide, urgent problem is that of the rural local community--the village community--in the modern world.

Can it become once more, what it was for aeons, the richly nourishing home of its members....while also uniting its members with the nation and the world?

Dutch administrators and scholars have thought long and deeply upon this question. They generally conclude that when money economy enters the village community, the genius of the community starts to die. The complexly organic unity falls apart, intra-village rivalry takes the place of mutual aid, social value perishes.

Laura Thompson, in her Culture in Crisis, depicted the basic characteristics of one such culture, the Hopi, before it had been displaced by white man's enforced schooling and money economy. Through rite, ceremony and folklore, values were dramatized and thus internalized

so as to control conduct--

"values and attitudes which are highly integrated both from the standpoint of logic and of art:....the unity and rythm of nature; the correlative interdependence of nature and man; natural law as the basis of human law; freedom through education and self discipline..."

The typical capitalist economy displaced that integrity of the local economy largely because of a little recognized characteristic of the conventional monetary system--that our money serves both as a medium of exchange and as a store of wealth. In consequence such a money is characterized by what Maynard Keynes called "liquidity preference": it is scarce because it can be valued as a store of wealth rather than just as a medium of exchange. Our high interest rates are required to persuade people to lend such a money. As the distinguished economist Dudley Dillard has pointed out, such a "money in its role as a store of wealth stands as a barrier to full production, that is, unemployment is caused by money."

But there have been effective monetary systems that have had fundamentally different characteristics and effects. Such a system prevailed for more than two hundred years in Europe during the period of the guilds and gothic architecture. This was a time of rapid technological advance, commercial prosperity, full employment and of prosperous small cities predominantly less than eight thousand in population. And population controls worked during this era among people of town and country! Carr-Saunders gives detailed and documented accounts of it. There was no unemployment in the midst of wealth, and therefore the demoralization and division of the community that leads to breakdown of personal morale did not develop.

The distinctive feature of the monetary system during this crucial period of European history was the "seigniorage" tax on money, making it unfeasible to use money as a store of wealth. Recent experimental use of such a taxed currency in communities has similarly achieved full employment out of drastic unemployment. After this tax was discontinued, economic depression and unemployment set in over Europe, and the ensuing misery led to the peasants' rebellions in Germany and England, widespread breakdown of the traditional small communities, the displacement of rural people to the cities, and simultaneously the breakdown of the traditional population controls.

Today in the United States, as in similar times in Greece, Rome and England, unemployment in the hinterland forces the migration of more than a half million people each year into our lethal supercities, which must serve as concentration camps for displaced persons.

It is important to notice that technology is not the underlying cause of this population movement, but is a tool of deeper forces. It would contribute to a very different population distribution if the underlying economic forces were altered.